



Chief Executive Office.

COUNTY OF LOS ANGELES


Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 974-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

October 15, 2024

To: Supervisor Lindsey P. Horvath, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport 
Chief Executive Officer
FAD (Oct 15, 2024 13:20 PDT)

REPORT BACK ON EXPLORING VOLUNTARY ANIMAL COMPANION INSURANCE BENEFITS FOR LOS ANGELES COUNTY EMPLOYEES (ITEM NO. 16, AGENDA OF JUNE 25, 2024)

On June 25, 2024, your Board directed the Chief Executive Office (CEO) to work with the Department of Human Resources (DHR) and report back to the Board in writing in 60 days on the feasibility and associated costs to add animal companion insurance as a voluntary benefit for County employees, including options similar to existing governmental programs. Your Board granted an extension to submit this report and the requested information is detailed below and in the attachment.

Existing Governmental Programs Offering Animal Companion Benefits

Following your Board's motion, we researched the other agencies referenced in your motion that are offering animal companion benefits to their employees. The Cities of Portland, Madison, Newport Beach, and Santa Ana are some agencies currently offering animal companion insurance as a standalone, voluntary benefit, or providing discounts to animal companion insurance for their employees. Based on the research, all carriers mentioned above offer benefit portability, meaning that employees can keep the benefit at the group rate even after termination of service.



Separately, we also looked at the County of Los Angeles Department of Animal Care and Control (ACC) which includes an animal companion insurance provider (Trupanion) flyer in their animal adoption packets which are given to those who adopt from ACC. In our research, we found that amongst the four agencies referenced above who offer animal companion benefits, there were no employer subsidies but rather employees pay the monthly premium amount. Details are provided in the attachment.

Benefits of Offering Animal Companion Insurance

Animal Companion insurance can help animal guardians cover the cost of veterinary care in the event of an animal companion's illness or injury. Similar to health insurance for humans, animal companion policies can vary in terms of coverage, including accident-only, accident and illness, and comprehensive plans that may cover wellness and preventive care.

Benefits For Employees:

- **Financial Security:** Helps employees manage unexpected veterinary expenses, reducing financial stress.
- **Peace of Mind:** Provides employees with peace of mind knowing their animal companions are covered in case of accidents or illnesses.
- **Enhanced Job Satisfaction:** Employees value benefits that acknowledge their personal lives, including their animal companion, potentially leading to higher job satisfaction and loyalty.

Benefits For Employers:

- **Improved Employee Morale and Retention:** Offering animal companion insurance can enhance employee satisfaction and retention, especially among animal companion owners.
- **Competitive Advantage:** As a unique benefit, animal companion insurance can help attract and retain talent in a competitive job market.
- **No-Cost/Low-Cost Addition:** As a voluntary benefit, animal companion insurance typically requires minimal to no direct costs to the employer since employees cover the premiums.

Minimal to No Costs to Employer

The costs to the employer are minimal to none since animal companion insurance is typically offered as a voluntary benefit, and employers do not bear the cost of premiums. The primary employer cost is administrative, such as managing the enrollment process and educating employees about the benefit. The administrative costs would include HR staff time to provide some level of customer service that may be outside the scope of service provided by a selected insurance company

and/or discount program. In addition, there would likely be costs for integrating animal companion insurance into existing benefit communications, platforms, and systems.

Cost to Employees

Employees would pay the monthly premiums directly to the animal companion insurance provider, with costs varying based on the type of coverage chosen, the age and breed of the animal, and other factors, such as the location or the zip code, and the animal's pre-existing medical conditions. Typical monthly premiums for animal companion insurance range from \$20 to \$60 per month per animal. Depending on the plan, employees may also have to pay the deductibles and co-pays.

Discount card programs, an alternative to traditional animal companion insurance, would cost around \$17 per animal per month and \$16 per month for each additional animal.

Feasibility of Offering Animal Companion Insurance to County Employees

It is feasible for the County of Los Angeles to offer employee-paid Animal Companion Insurance. As noted above, this insurance is available in a number of forms, each of which would have a different cost structure and require a greater or lesser amount of support from the DHR Benefits staff. As noted above, there would likely be costs associated with an enrollment platform and possibly payroll system support too.

Additional Considerations

Voluntary animal companion insurance and/or discount programs is a matter on which the County should provide notice to the unions and provide them with an opportunity to meet and confer on the issue. Should the County choose to provide this voluntary benefit, CEO Benefits and Employee Relations will determine the best approach to meet this requirement.

Competitive solicitations should be conducted for voluntary benefits, including discount programs.

Each Supervisor
October 15, 2024
Page 4

Next Steps

As a next step, should your Board decide to move forward with further study, DHR can release a survey to County employees to gauge interest in this benefit, e.g., how much are employees willing to pay for animal companion insurance and/or discount programs, how many employees currently have such coverage, and would they be willing to switch from their current insurance and/or discount provider. The information that is gleaned from the survey can be provided to your Board for its consideration to inform whether to offer such a benefit.

Should you have any questions, please contact Julie Dixon Silva at (213) 974-0470 or jdsilva@ceo.lacounty.gov, or Maggie Martinez, Assistant Director, at (213) 351-2921 or at mmartinez@hr.lacounty.gov.

FAD:JMN:JDS
SM:mmg

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Human Resources

UPDATE ON FINDINGS FOR EXPLORING VOLUNTARY ANIMAL COMPANION INSURANCE BENEFITS FOR LOS ANGELES COUNTY EMPLOYEES

Notable findings between the agencies offering animal companion benefits:

1) ACC offers Trupanion animal companion insurance to guardians who adopt an animal from them. Information about Trupanion is included in adoption packets as the first and only insurance provider that pays vet bills in real-time at checkout. Trupanion reached out to ACC and offered free marketing services to inform animal adopters about their product. Through Trupanion, animal companion owners pay the monthly premium, and there are no annual limits on the amount paid out each year. Trupanion insurance covers hereditary and breed-specific conditions such as hip dysplasia, umbilical hernias, and allergies.

2) The City of Portland offers employee discounts through ComPsych EAP, Canopy EAP, and LifeBalance. The CityStrong Guidance Resources EAP (ComPsych EAP) is offering no-cost, confidential counseling and legal support, financial information, and personalized work-life resources that are available to most bargaining units and non-represented employees. The Canopy EAP benefit is available to employees and their families, including access to animal parenting resources, and animal companion insurance discounts through LifeBalance.

3) The City of Newport Beach offers Preferred Provider Organization (PPO) insurance through MetLife which offers animal companion coverage options that work best for their employee's needs and veterinary bill reimbursement.

4) The City of Santa Ana offers a discount program through United Pet Care which is not animal companion insurance but works with in-network providers for discounts. There are no exclusions due to pre-existing or breed-specific conditions. The employees save 20-50% on all in-house veterinary services for every visit.

ATTACHMENT

Comparison Chart by Agency

	Cities of Portland and Newport Beach (MetLife)	City of Madison (Nationwide)	City of Santa Ana (United Pet Care)	Animal Care & Control (Trupanion)
Direct Cost to Employer	No	No	No	No
Cost to Employee	Yes	Yes	Yes	Yes
Network Provider Requirements	Any vet	Any vet	1,500+ in-network vets	Any vet
Portability After Leaving Service	Yes	Yes	Yes	Yes
Direct Bill	Yes	No, may be available in 2025	Yes	No, may be available in 2025
After-Tax Payroll Deduction	Yes	Yes	Yes	Yes
Cost Difference In Premiums Between Payroll Deduction & Direct Bill	No	Yes, payroll deduction waives the monthly installment fee of \$3.00 per month	Yes, premium rate is \$17.50 per month for payroll deduction and \$24.50 per month for direct bill	No
Approximate Premium Costs for Employees (per month/per animal)	Approximately \$44 - \$109 per month	Approximately \$59 - \$129 per month	\$17.50 per month	Filings are pending approval in California, at this time, cannot provide a quote

ATTACHMENT

	Cities of Portland and Newport Beach (MetLife)	City of Madison (Nationwide)	City of Santa Ana (United Pet Care)	Animal Care & Control (Trupanion)
Indirect IT implementation costs	Auditor-Controller: Payroll deduction: Possible CGI Contingency Fund Third-Party Benefits Administrator \$+/- \$250,000 for changes to the enrollment system (would require a contract amendment)	Auditor-Controller: Payroll deduction: Possible CGI Contingency Fund Third-Party Benefits Administrator \$+/- \$250,000 for changes to the enrollment system (would require a contract amendment)	Auditor-Controller: Payroll deduction: Possible CGI Contingency Fund	Auditor-Controller: Payroll deduction: Possible CGI Contingency Fund Third-Party Benefits Administrator \$+/- \$250,000 for changes to the enrollment system (would require a contract amendment)

There are three types of coverage for animal companion insurance:

Accident and illness - covers veterinary costs for an animal in the event of accidents, injuries, or illnesses.

Accident only - covers veterinary costs solely for injuries or issues caused by accidents, reimbursing the animal companion owner for a portion of expenses related to diagnosing and treating any injuries or trauma the animal sustains.

Wellness care - covers the costs of regular veterinary services like vaccinations, checkups, teeth cleanings, and flea/tick prevention, reimbursing the animal companion owner for many of the expenses related to these preventative care services.

Potential Options for the County

The County of Los Angeles could offer employees animal companion insurance through a PPO plan. Through the PPO, employees can get reimbursed on covered expenses (reasonable and customary) up to 70%, 80%, or 90% depending on the coverage selected after paying the vet bill and filing a claim. The flexibility of the PPO entails employees not being restricted to network veterinary providers, making it an attractive option. Some limitations on the PPO include age or breed of animal exclusions and having annual coverage limits, which is the policy's maximum amount that employees will be reimbursed for covered expenses within a 12-month period after the deductible is met.

CEO and DHR could collaborate with the ACC to potentially expand the benefits offered through Trupanion as the selected voluntary benefit option for County employees. Trupanion, like other PPOs, is not restricted to network providers. Unlike other traditional animal companion insurance, Trupanion is the only provider that enables members to have their bill directly paid at checkout at the vet; if the hospital is not set up for direct pay, most claims are still processed within 24 hours. There are no breed exclusions; however, there are age limits and pre-existing condition exclusions. Employees can choose any deductible (\$0-\$1,000) and are only required to meet it once per condition per animal; once met, eligible costs for that animal's condition are covered for the animal's life. This means that deductibles are paid per condition of that animal throughout the entirety of the policy, which is referred to as lifetime per-condition deductibles (rather than annual deductibles). Once a member pays the deductible in full for that animal's condition, they will not have to pay a deductible for that treatment again, which is great for those who have animal companions who are concerned about chronic conditions their animal companion may develop.

The County could offer a discount card program in lieu of the traditional animal companion insurance. The program is only valid at participating veterinarian clinics across the country within the program's network. Although less flexible than a PPO, members can instantly save between 20%-50% off the vet bill without having to file a claim for reimbursement. There are also no age or breed exclusions and no annual limit.

CEO and DHR could review and evaluate the complexity of having more than one option to offer County employees (two or three insurance and/or discount programs). CEO and DHR could also review animal companion insurance companies to compare services and the number of customer service channels offered (e.g., phone, email, live chat).

Implementation and Staffing Considerations

Should your Board decide to move forward with this voluntary benefit, the implementation of offering animal companion insurance and/or discount programs as a voluntary benefit is subject to negotiation with our labor unions.

DHR would work with the Auditor-Controller's office to prepare for payroll deductions. Implementing an easy enrollment process for employees is crucial. Like other employers, the County may be able to leverage existing benefits platforms to integrate animal companion insurance and/or discount programs.

During the Request for Proposal (RFP) process, DHR will write the Statement of Work and release the solicitation documents. During the final phase of the RFP process, DHR with the CEO's concurrence, will select the winning vendor that offers competitive pricing, ample customer service resources and flexible plan options and negotiate the final contract for approval by the Board of Supervisors. When the vendor and its service levels are identified, DHR will assess the level of additional staffing required to provide customer service to County employees. DHR reports that staffing on DHR's Employee Benefits Hotline has remained static even as demand for its services has grown considerably, driven in part by the larger County workforce and required website security improvements. The team will also have a role in supporting the new Paid Family Leave pilot program and the creation of a *Choices* tier that includes Short-Term Disability.